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TOP SECRET CONTROL
INTELLIGENCE DIVISION, GSUSA

TAB "B"

SOVIET CAPABILITIES TO COMMIT SABOTAGE IN COUNTRIES OUTSIDE
THE UNITED STATES WHICH CONTAIN VITAL RESOURCES AND
FACILITIES REQUIRED FOR THE INDUSTRIAL SUPPORT OF AN UNITED
STATES MOBILIZATION. (Interim Report, Munitions Board,

4 Feb. 1949)

1. NORTH AND CENTRAL AMERICA

a. CANADA

(1) Sabotage, physical, economic and/or psychological, is indicated.

(2) Sabotage would most probably be attempted in the industrial areas of Ontario, Quebec and British Columbia, (the provinces which contain most of the vital resources and facilities listed in the Munitions Board Report) and specifically in the fields of mining and steel production. This estimate is based on two factors: (a) The largest concentration of Communist strength in industry is in the above-listed areas, and (b) the Communists are in control of the International Union of Mine, Mill and Smelter Workers in Canada and could seriously hamper vital production through strikes, slowdowns and general delaying tactics. Aside from mining and steel, the Communists are also well entrenched in such other essential industries as inland waterway transportation, electrical and radio, lumbering, shipyards, and automotive, and are in control of the Canadian Seamen's Union.

b. COSTA RICA

(1) Sabotage possibly indicated.
(2) Communists have been outlawed but are attempting to restore their control in labor. Extent of success at this time is unknown. Costa Rica would have a low priority for Soviet sabotage efforts.

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c. CUBA

(1) Sabotage is definitely indicated.

(2) Although Cuban Communists have lost their key positions in labor unions they still exert strong influence in labor (particularly in sugar, maritime and transport unions) and undoubtedly have adherents in the mining unions. The presence in Cuba of a substantial group of militant Communists provides ample opportunity for planning and directing sabotage efforts as well as furnishing agents to carry it out. Secret instructions to party members are to be prepared to sabotage the war effort in every way possible.

d. GUATEMALA

(1) Sabotage probably indicated.

(2) Communists or pro-Communists exert strong influence in national labor union leadership. Government policies have encouraged leftist, anti-United States labor activity and nothing is being done to prevent Communist labor activity. There are some Communists or pro-Communists in high government positions.

e. HAITI

(1) No sabotage indicated.

(2) There are practically no militant Communists. While security measures in Haiti are poor and the introduction of agents in certain areas would be relatively easy, it is believed that Haiti is not important enough as a target to warrant much attention from the Soviet Union. Sporadic attempts to cause trouble in the sisal industry are possible.

f. HONDURAS

(1) No sabotage indicated.

(2) There are no known Communists in Honduras. Although security measures are poor and the introduction of one or more agents would be easy, it is not believed that Honduras is important enough to warrant the trouble.

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g. MEXICO

(1) Sabotage definitely indicated.

(2) Soviet inspired or directed sabotage of Mexican industries vital to the United States will originate from forces both within and without the country. Sabotage elements within the country consist of militant local Communists and Stalinist labor leaders, who are inadvertently abetted by the traditional disinclination of the Government to take any steps which appear to be anti-labor. While the majority of Mexican labor is not Communist, it is largely illiterate and its living standards are miserable compared with those of the United States. This forms a fertile field for the operation of agitators. Stalinists are influential in the leadership of many of the key unions, such as the Railway Workers and the Petroleum Workers. By ostensibly making the objectives of the Soviet proletarian revolution coincide with the objectives of the Mexican Revolutionist Movement, the Stalinist leaders have entrenched themselves to a serious degree in government, labor, education, agrarian and cultural fields. This situation makes it difficult and sometimes impossible for the Government, no matter how friendly toward the United States, to impose effective controls on labor.

Physical sabotage by imported teams is facilitated by the ease with which they could be landed on Mexico's virtually uninhabited and unguarded coast, and by laxness of immigration and registration laws, augmented by the fact that under the prevalent "Mordida", or bribery system, almost anyone willing to pay the necessary fees can obtain any sort of passport or identity credentials. These factors, coupled with the great freedom of movement in Mexico, and the reluctance of the Government to tread on the toes of organized groups, makes the infiltration of imported and domestic spies and saboteurs into key positions in industry a relatively easy matter.

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The strength of the Communist Party in Mexico is about 10,000, of whom not more than 10% are militant Communists, but this group, in combination with the thousands of unwitting fellow travelers who are tricked into supporting disguised Soviet objectives, is an effective tool.

Therefore it must be expected that sabotage of Mexico's key industries, including oil, lead, antimony, copper, manganese, hermequin, mercury and zinc, will be attempted by the Soviets, and that they will have considerable success, at least initially, in reducing the flow of products to the United States.

h. PANAMA

(1) Sabotage is definitely indicated.

(2) Although the Communist Party of the Republic of Panama is relatively small and exerts little political influence, it presents a definite threat to the security of U.S. interests in the Republic and in the Canal Zone through its powerful influence on organized labor. The Federation Sindical de Trabajadores de Panama (FSTP) is a national federation of Panamanian labor composed of 18 affiliated unions with a membership of about 10,000. This organization is largely under the control and direction of Dr. Celso SOLANO, the Number 1 Communist and U.S. baiter in Panama. Dr. SOLANO was a leader in the fight against U.S. military bases in Panama and a prime instigator and director of the University student riots. He is a bitter foe of "Yankee Imperialism". Since May 1946, the unskilled and semi-skilled workers in the Canal Zone have been organized under the auspices of the United Public Workers of America, CIO. The organizers sent from the United States to create this union have been militant U.S. Communist labor leaders. By virtue of their position as organizers, they have exerted tremendous influence if not complete control over the Union, although its membership is not predominantly Communist. The membership of the Canal Zone union has varied between 10,000 and 15,000, the top figure representing almost half the 32,000 Canal Zone workers.

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The combined strength of FSTP and UPW, subject to Communist control, agitation and propaganda, presents a potential for economic sabotage that will not be overlooked by the Soviets. A general strike by the FSTP coordinated with similar action by UPW, and timed to coincide with riots, mob raids on utility installations and other public services, disruption of transportation and communications facilities and the attendant civic confusion, would seriously interfere with the operation of the Canal until such time as order could be restored by local authorities in Panama and by military forces in the Canal Zone. The length of time necessary to restore order will depend largely upon prior security measures by the U.S. and the Panamanian Government and the promptness and severity of repressive measures.

It is believed that security measures by U.S. military forces could eliminate the threat of physical sabotage by means of explosives against the locks, spillways, power plants and dams, because of the difficulty of transporting and concealing the large quantities of demolition material which a successful effort would require. However, the threat of blocking the channel of the Canal by sinking a ship at a critical point presents a more serious problem. Granted that the difficulties of such a sabotage plan are tremendous, it is felt that the Soviets might well make the attempt for the following reasons: Adequate security measures to prevent the execution of such a plan necessarily involve great difficulty and much loss of valuable time -i.e., in order to detect a time bomb or similar weapon concealed in the hold of a ship it would be necessary to unload the cargo and search the holds. Even though a ship sunk in the channel might be speedily repaired and raised, the Soviets would still have imposed the necessity upon the U.S. for unloading and searching each ship that sought to transit the Canal thereafter, an enormously damaging delay.

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2. SOUTH AMERICA

a. ARGENTINA

(1) Sabotage probably indicated.
(2) Communists exert no national labor union leadership but have some influence in railroad and port unions, and probably could at least temporarily slow down if not tie up transportation. Presence of large pro-Communist Slav groups which have received training in sabotage technique makes Soviet sabotage attempts very probable.

b. BRAZIL

(1) Sabotage probably indicated.
(2) Communist Party is underground but is believed to have some control in port and transport workers union and possibly in mining unions. Information on the latter point not conclusive. Brazilian Communists have announced support of the U.S.S.R. in a capitalist war.

c. BOLIVIA

(1) Sabotage probably indicated.
(2) Labor situation is confused, with rightish Movimiento Nacional Revolucionario exerting strong control in mining unions. It should be pointed out that this group is anti-U.S. and might itself attempt sabotage of a war effort without Soviet instigation. Bolivian pro-Communists have indicated that they would be on the side of the U.S.S.R. in the event of war.

d. BRITISH GUIANA

(1) Sporadic sabotage indicated.
(2) Information on the extent of Communist penetration into British Guiana labor is not available. There have been reports on Communist agitators in the area, but at best their capabilities are limited.

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e. CHILE

(1) Sabotage definitely indicated.

(2) Although the Communists have been outlawed, Communist influence remains strong in labor, particularly in mining and transport. There are militant Communists in Chile who would undoubtedly be ready to sabotage the war effort in any way possible.

f. COLOMBIA

(1) Sabotage definitely indicated.

(2) Communist influence is very strong in Colombian labor and is dominant in petroleum and transportation unions. Colombian Communists have indicated they would support the U.S.S.R. in a war against the capitalist nations.

g. CURACAO, N.W.I.

(1) Sabotage probably indicated.

(2) While the Communist Party does not flourish in the islands of Netherlands West Indies, and the Dutch Colonial Government pursues a policy of excluding known Communists and labor agitators, security forces and measures on the islands are estimated to be inadequate to prevent sabotage with some success in the event of war. There are no adequate and positive guarantees against the inadvertent employment of Soviet-trained saboteurs in the oil installations, which are extremely sensitive to sabotage by fire, or by the destruction of pumps and generators. Furthermore, the Soviet capability of landing groups of saboteurs from submarines, or infiltrating them as migrant laborers poses a threat that could not be met by the security forces of the Colonial Government or the oil companies. Physical protection of the storage, shipping and refining facilities by the U.S. in the event of war would be complicated by political factors involving a probable demand by the Venezuelan Government that it have a large share in the protective measure, as well as by the demands

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of certain groups favoring autonomy for the islands. The latter are not of serious consequence now, but in the event the Netherlands were over-run by the Soviets and the Government forced into exile, the supporters of autonomy possibly might make themselves a troublesome factor by instigating strikes and labor strife. It is estimated that through any one or more of these factors, the Soviets may attempt sabotage at the refining, shipping and storage facilities of the Netherlands West Indies.

h. ECUADOR

(1) Sabotage probably indicated.

(2) Communists in Ecuador have been split and have been unable to secure complete control of labor confederations. They do represent a strong influence and could probably cause some strikes and sabotage although their success would be limited. Ecuadoran facilities would have a low priority in the Soviet plans.

i. PARAGUAY

(1) No sabotage indicated.

(2) Communism is rigorously suppressed, and the only labor organization is controlled by Conservatives. Introduction of agents for sabotage of the quebracho industry would seem pointless since it would be easier to obstruct the product enroute to other countries.

j. PERU

(1) Sabotage possibly indicated.

(2) Communists are relatively weak in Peru and have no control of the national labor confederation. It is possible that they may increase their control with the weakening of the socialist, anti-Communist Group APRA (Alianza Popular Revolucionaria Americana), although both groups have been declared illegal. Communists control small segments of the petroleum and port workers.

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k. SURINAM

(1) Sabotage possibly indicated.
(2) There is no information on the existence or extent of Communist influence in Surinam labor. Some undoubtedly exists and considering the importance of Surinam bauxite to the United States, sabotage would probably receive a high Soviet priority. Local security measures are poor.

l. TRINIDAD

(1) Sabotage possibly indicated.
(2) Although rioting and sabotage occurred in the oil producing and refining industry of Trinidad in 1937 and 1947, its origin and causes had nothing to do with Communism or the influence of the Soviets. British colonial policy is now well accepted on the Island, and the principal labor union, the Oil Field Workers Trade Union, is now under responsible leadership. The danger of sabotage by the Soviets hinges on two factors of importance: (a) The widespread ignorance and poverty of the native laborers, which makes them vulnerable to the efforts of agitators; and (b) the possibility of infiltration of trained Soviet saboteurs into the sensitive oil industry. The vital importance to British wartime economy of the oil and refined products of this colony make it a sufficiently remunerative sabotage target, it is believed, that the Soviets will possibly attempt both economic and physical sabotage.

m. VENZUELA

(1) Sabotage definitely indicated.
(2) Physical and economic sabotage must be expected throughout the Venezuela oil industry because of: (a) Physical vulnerability of installations, such as isolated locations, inadequate local guards, etc.; (b) control of some petroleum industry unions and maritime and port workers unions by Communists; (c) reports of relatively high evaluation of Soviet or local Communist plans for sabotage; and (d) dependency of local counter-measures upon the type of Government currently in power in the area.

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3. AFRICA

In Algeria, French Morocco, Tunis, and the Union of South Africa, Communist elements and Soviet and Satellite representatives have made progress in the infiltration of labor and political groups. In other areas of Africa they have as yet not made such progress. However, nationalistic elements are becoming increasingly active and it is considered that such elements may be exploited by Soviet and Communist forces. It is for these reasons sabotage is indicated in some of the African countries, although not of Soviet or Communist origin.

a. ALGERIA

- (1) Sabotage possibly indicated.
- (2) Physical sabotage is possible because of the following

data:

- (a) The principal labor union in Algeria, the Confederation General du Travail (CGT), is heavily infiltrated by Communists;
- (b) The Soviet Consulate in Algiers is one of the major dispatch points for Soviet agents in North Africa;
- (c) Throughout Algeria, Communists attempt to capitalize on nationalistic feeling by being ultra-nationalists;
- (d) Communist agents reportedly are active among dock and transportation workers.

b. BELGIAN CONGO

- (1) No sabotage indicated.
- (2) Physical and economic sabotage in the Belgian Congo is not considered likely because:

- (a) The country is in an isolated position in the heart of Africa;
- (b) There is an absence of important leftist groups in the country;

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- (c) There is no Soviet consulate in the area; however, a Czechoslovakian Consulate has been established at Leopoldville;
- (d) Extreme care is exercised by Belgian authorities, because the Congo is the world's most important source of uraninite (Pitchblende) and of various complex uranium hydroxide minerals used in the manufacture of atomic bombs;
- (e) There is a negligible amount of agent activity in the Congo.

c. BRITISH EAST AFRICA

- (1) No Sabotage indicated.
- (2) Physical and economic sabotage to installations in British East Africa is not likely because of:
 - (a) Rigid control by the British authorities;
 - (b) The negligible number of Communists or leftists in the area.

d. FRENCH MOROCCO

- (1) Sabotage definitely indicated.
- (2) Physical and economic sabotage in Morocco is considered likely because:
 - (a) There are increasing signs of an espionage ring located at Port Lyautey. Several networks have been uncovered among civilian employees at the U.S. Naval Air Activity, Port Lyautey. Officials are convinced that other networks exist that are, as yet, undetected. It is believed that Communists obtained clearances from French police for the disloyal employees detected at the port, either by penetrating an office of the police, or by counterfeiting the necessary documents.

(b) Security among civilian employees is considered to be entirely unsatisfactory. It is believed that this situation will continue until several competent intelligence investigators are sent to the port area and adequate counter-measures are taken;

(c) There is also a group of Spanish republican refugees who live at Port Lyautey. Some of these are considered to be dangerous Communist Party agents;

(d) The principal labor organization in Morocco, the Confederation General du Travail (CGT) is heavily infiltrated by Communists;

(e) Exploitation by Communists of nationalistic feeling in Morocco.

e. GOLD COAST

(1) Sabotage possibly indicated (not Soviet or Communist).

(2) Physical and economic sabotage is possible because of the following facts:

(a) The rising wave of African nationalist sentiment may flare up at any time. However, the British authorities, greatly disturbed by the riots which occurred in February 1948, have taken what they believe to be adequate security precautions.

(b) The narrow-gauge one-track route from the mines at Nsuta to the port of Takoradi affords an excellent sabotage target.

f. MADAGASCAR

(1) Sabotage definitely indicated (not Soviet or Communist).

(2) Physical sabotage of graphite mines in Madagascar is considered likely because of the following facts:

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- (a) The presence in the country of native tribes, such as the Hora, which have in the past incited rebellion among other tribal elements. The Horas made elaborate plots for the widespread outbreak which occurred in Madagascar at the end of March 1947. During the course of this outbreak, most of the mines were badly damaged. Although the rebellion has subsided guerrilla raids are expected to continue for some time.
- (b) The mines and the routes used in transporting graphite to the seaport are easy targets for sabotage because of their isolated location.
- (c) It is doubtful whether enough French troops could be assigned to protect the mines during another revolt.

g. MOZAMBIQUE

- (1) No sabotage indicated.
- (2) Physical and economic sabotage in Mozambique is not considered likely because of the following facts:

- (a) There are a negligible number of leftists in the area;
- (b) Firm control is exercised by local authorities.

h. NIGERIA

- (1) Sporadic sabotage indicated (not Soviet or Communist).
- (2) Sporadic physical sabotage is indicated owing to the following fact:

- (a) Nigeria, because of rising African nationalistic sentiment, may at any time be the scene of native outbreaks. British authorities, however, have long been aware of this and have taken what they believe to be adequate precautions. Police and troops in the area are quite efficient.

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i. NORTHERN RHODESIA

- (1) No sabotage indicated.
- (2) Physical and economic sabotage to mines in Northern Rhodesia is not considered likely for the following reasons:
 - (a) There are a negligible number of Communists or leftists in the area. There is no Communist organization functioning in the country at present;
 - (b) Rigid control is exercised by the British authorities.

j. SIERRA LEONE

- (1) No sabotage indicated.
- (2) Physical and economic sabotage of the chromite mines in Sierra Leone is not considered likely for the following reasons:

- (a) There are a negligible number of leftists in the area;
- (b) Firm control is exercised by the local authorities.

k. SOUTHERN RHODESIA

- (1) No ~~sabotage~~ indicated.
- (2) Physical and economic sabotage of the mines in Southern Rhodesia is not considered likely for the following reasons:
 - (a) There are a negligible number of Communists or leftists in the area;
 - (b) Rigid control is exercised by the British authorities.

l. TUNIS

- (1) Sabotage definitely indicated.
- (2) Physical sabotage may be expected in Tunis for the following reasons:
 - (a) Most of the three to four thousand Communists in Tunisia reside in critical areas such as Bizerte, Ferryville, etc.;
 - (b) French officials are over confident of their ability to prevent sabotage due to the fact that they receive reliable information regarding actions to be taken by the Party;

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(c) One of the most important labor organizations in Tunisia, the Union Syndicale des Travailleurs de Tunisie (U.S.T.T.), is dominated by Communists.

m. UNION OF SOUTH AFRICA

- (1) Sporadic sabotage indicated.
- (2) Sporadic physical sabotage of mines in South Africa, particularly Corundum mines, is to be expected because:
 - (a) There are unfriendly relationships between miners and mining company officials. There have always been strikes and disorders in the mine compounds; some tribal fights and a number of minor riots. due to dissatisfaction regarding food have occurred;
 - (b) There are racial antagonisms throughout the country;
 - (c) There is increasing Communist infiltration in some native unions.

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4. EUROPEa. SPAIN

- (1) Sabotage probably indicated.
- (2) Sporadic sabotage throughout Spain is probable for the following reasons:
 - (a) Despite strong police repression curtailing the activities of the illegal Spanish Communist Party there are indications that the party has in the Spanish Interior a loosely organized cadre experienced in various forms of sabotage;
 - (b) Although economic and industrial sabotage would represent a departure from current Communist activity, action in those fields by the above groups should be anticipated. Current acts of sabotage appear to be linked to guerrilla fighting;
 - (c) The Spanish Communist Party has emphasized the collection of economic and industrial intelligence by its members, such information being funneled into Spanish Communist Party headquarters in Paris, France; it is presumed that such intelligence is forwarded to the U.S.S.R.

5: ASIA MINOR

a. IRAN

- (1) Sabotage is probably indicated.
- (2) Physical and economic sabotage in Iran is probable if deemed expedient because:
 - (a) The Tudeh Party, a Soviet oriented political group operating underground, has a large number of sympathizers and former members in Iran;
 - (b) The ease with which Soviet agents may come into Iran from the U.S.S.R.

b. KUWAIT

- (1) No sabotage indicated.
- (2) Physical and economic sabotage to oil installations in Kuwait is not considered likely because of:
 - (a) The negligible number of leftist individuals in the area;
 - (b) The extreme caution exercised by oil company officials and local government in Kuwait.

c. SAUDI ARABIA

- (1) No sabotage indicated.
- (2) Physical and economic sabotage is not likely owing to the following facts:
 - (a) Communists are virtually non-existent in Saudi Arabia;
 - (b) The Saudi Arabian government is very sensitive to foreign agents of any kind within their country and most of the Arab population has been alerted;
 - (c) When a laborer with Communist tendencies is found, he and all of his close associates in the place of employment and in his living quarters are expelled from the country.

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d. TURKEY

- (1) Sporadic sabotage indicated.
- (2) Physical and economic sabotage of installations in Turkey is considered possible because:
 - (a) Scattered groups of workers with grievances against the government exist in such places as the coal mines in the Zonguldak area, in the street-car administration in Istanbul and in the tobacco factories in Izmir;
 - (b) Prices are extremely high and working conditions are unsatisfactory.

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6. ASIAa. BURMA

- (1) Sabotage probably indicated.
- (2) The following factors create conditions favorable for sabotage in Burma:
 - (a) The present government is unable to maintain stable security conditions in the country;
 - (b) The Communist element are already in active armed revolt and the government forces have been unable to quell them;
 - (c) It is possible that the present government may compromise with the Communists in its efforts to reach stability. While this will probably not result in real stability it will place the Communists in a more advantageous position to carry on sabotage.

b. CEYLON

- (1) No sabotage indicated.
- (2) There is no indication that any effective sabotage will be performed in Ceylon. However, the following situation exists:
 - (a) There are three very small Marxist parties, one of which claims to be Stalinist, and is called the Communist Party of Ceylon;
 - (b) All three parties constantly fight each other for control of the various labor unions, which weakens each party;
 - (c) Most of their activities appear to be political and overt;
 - (d) It is believed that the Government of Ceylon would imprison labor leaders at the first indication that their actions were motivated by other than purely political reasons.

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c. CHINA

(1) No sabotage is indicated. Soviet or Communist sabotage is not necessary in China because of the special status of Communism in that country with the Chinese Communist Army in control of most of the strategic areas of the country and capable of taking over, by military action, such other areas as may become expedient.

(2) The following factors indicate that China's strategic materials probably will not be available to the U.S.:

- (a) The Communists are the strongest element in the country;
- (b) Chinese in Nationalist held areas are largely accepting the inevitability of eventual Communist victory and are showing an inclination to yield to strong Communist pressure;
- (c) Nationalist-controlled areas are steadily being infiltrated by Communist agents who are adroitly using propaganda to organize groups which will cooperate with Communists in taking over the remainder of China;
- (d) While a Communist-controlled China may trade with the U.S. for economic reasons, it would be politically aligned with the U.S.S.R., and trade disadvantageous to that relationship is unlikely.

d. INDIA

(1) Sabotage possibly indicated.

(2) The following conditions indicate the Soviet sabotage potential in India:

- (a) Soviet and satellite trade representatives and international Communist personalities have been quite active in India;

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- (b) Contacts have been reported which indicate a well-organized Soviet-controlled underground group in India;
- (c) The effectiveness of any Soviet sabotage making use of native Communist elements is being severely hampered by the Governmental drive to arrest all known Communists, especially those who participated in the recent terrorist activity in Calcutta;
- (d) Communist labor groups are losing strength as is shown by the ineffectiveness of the recent threatened general strike which was averted by strong and timely police action.

e. JAPAN

- (1) Sabotage probably indicated.
- (2) The following conditions indicate the Soviet sabotage potential in Japan:
 - (a) The largest labor union federation in Japan is Communist-controlled;
 - (b) The Japanese Communist Party has a well-organized underground element which is designed for illegal activity;
 - (c) Soviet nationals are active as follows:
 - 1. organizing and directing covert operations in Japan;
 - 2. advising the leaders of the Japanese Communist front organizations;
 - 3. employing selective procedures in the repatriation of Japanese nationals from Soviet-controlled areas which facilitate the infiltration of persons who can be used for sabotage.

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(d) However, in amelioration of this situation, the present Japanese government, aided by U.S. Occupation Forces, is attempting to reduce Communist control of labor and is observing where possible, the covert activities of the Communists.

f. SOUTH KOREA*

(1) Sabotage definitely indicated.

(2) The following information is applicable regarding the Soviet sabotage potential in Korea:

- (a) Communist bands are in armed revolt in South Korea;
- (b) Agents from the Soviet Satellite People's Republic of North Korea are infiltrated at will across the 38th parallel to guide and assist in the operations of the armed Communist bands and in the illegal activities of the South Korean Labor Party (the underground Communist Party of South Korea);
- (c) While the South Korean Government, Army, and Security forces have achieved only limited success thus far, they are making progress in bringing Communist activity in the country under control.

g. MALAYA

- (1) Sabotage definitely indicated.
- (2) The Communist elements have the capability for sabotage as indicated below:

NOTE: *NORTH KOREA is carried as a Soviet Satellite.

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- (a) Communist bands, comprised almost wholly of Chinese elements, are conducting terrorist raids in the plantation of tin mining areas, thus sabotaging production efforts;
- (b) Security forces, while exercising increasing surveillance, have been unable to halt the terrorist activity of the bands;
- (c) In most of Malaya, the government security forces aided by the British are able to maintain stability. The Communists are able to continue their activities because of the rough terrain in which they operate and because of this ability to force peaceful Chinese to supply food and shelter.

h. NETHERLANDS EAST INDIES (INDONESIA)

- (1) Sabotage probably indicated.
- (2) The fact that the situation in the Netherlands East Indies is at present in such a state of confusion makes it difficult to furnish an accurate statement of Soviet and/or Communist sabotage capabilities. However, the following factors must be considered:
 - (a) Soviet agents are reported to be conducting covert operations in the NEI, but not on an extensive scale;
 - (b) There are two Communist elements in the area which may be used for sabotage;
 - 1. The Tan Malaka group within the Republican Forces. This group is sometimes credited with being the real power in the Republican movement while at other times, it is said to be virtually without support;

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2. The Chinese Communist group, Min Chu Tung Men, is found largely in the Dutch held area. This group has very close relations with the Malaya Communist Party and is said to be partially directed by Kan Kah Kee.

i. NEW CALEDONIA

(1) No sabotage indicated.

(2) There is no Communist Party as such in New Caledonia and persons with reported leftist feelings have retired from politics. The presence of Soviet representatives or their activity in New Caledonia has not been reported.

j. PAKISTAN (WESTERN SECTION)

(1) No sabotage indicated.

(2) While no evidence of extensive Soviet or Communist activity in Western Pakistan has been reported these factors exist:

(a) There is an underground Communist movement primarily interested in organizing strikes. The Government of Pakistan is attempting to remove this movement by arresting active individuals;

(b) The country may be subject to pressure from the Soviet Union because of its geographical position. In addition, the location and the generally unprotected frontiers lend themselves to the infiltration of personnel.

k. PHILIPPINES, REPUBLIC OF

(1) Sabotage probably indicated.

(2) While there is no evidence that any specific attempts at sabotage have been made or planned in the Philippines, the following elements of instability exist which create a situation whereby it may be accomplished:

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(a) It is estimated that there are 10,000 Chinese Communists in the Philippines, the majority being concentrated in Manila;

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(c) There is a native rebel organization (Hukbalahap) which presently controls a part of the Islands of Luzon; this organization is led by an admitted Communist, Luis Taruc. This group has made an effort to acquire Philippine Scout uniforms; while its activities have recently been concentrated on stealing food and equipment, they could also be diverted to sabotage;

(d) There is a fairly large colony of White Russians which reportedly contains a number of Soviet agents.

1. SIAM

(1) Sabotage probably indicated.

(2) The following conditions indicate the Soviet sabotage potential in Siam:

(a) The strongest Communist group in Siam is believed to be Chinese, and is in touch with similar groups in Asiatic countries and with the Chinese Communist Party;

(b) Soviet and Satellite agents have been reported as being active in covert operations in Bangkok;

(c) Any sabotage operations will be hampered by the fact that the government has been active in trying to halt all Communist labor activity by the organization and support of a pro-government labor group.

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7. AUSTRALIAa. AUSTRALIA

(1) Sabotage probably indicated.

(2) Soviet capabilities to perform sabotage in Australia rest in the following:

(a) While the actual Communist membership in Australia is estimated at around 15,000, this well organized group runs many "cover" activities and controls labor unions which have a membership of about 275,000. They influence or control the unions of all basic industries except agriculture; notably the Ironworkers, Building Workers, Industrial Union, Waterside Workers Federation of Australia, Seamen's Union of Australia, Meat Industry Employees Union and the Amalgamated Engineering Union, all of which are centrally controlled;

(b) Communist sympathizers exist in all levels of Australian public and industrial life, a fact which retards the effective use of counter-measures;

(c) An attempt is being made to put into effect better security measures in all levels of the Australian government, especially among the security services.

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